

ORIGINAL

Sheila Stoeller



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From: Nancy McCoy [theduquesnehouse@hotmail.com]  
Sent: Wednesday, June 09, 2010 9:34 AM  
To: Utilities Div - Mailbox; Mayes-WebEmail; Pierce-Web; Newman-Web; Kennedy-Web; Stump-Web  
Subject: Docket No. E-01575A-08-0328, ~~missing attachment~~ E-01575A-09-0453  
Attachments: Wildcat Mine.pdf

Dear Chairman Mayes and Commissioners,

I am so sorry, but I believe I did not include this attachment when I emailed you two weeks ago about my concerns regarding the SSVEC proposed powerline in the Sonoita area and Wildcat Silver's proposed mining project in the Patagonia Mountains. This is the article from the *Patagonia Regional Times* about the first of two meetings Chris Jones, Wildcat Silver's CEO, had with local residents to explain the proposed project and its timeline.

I have also resent the original letter.

Once again, I apologize for this omission. Please let me know if I can provide you with any other information.

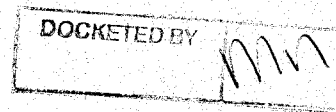
Thank you,

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Arizona Corporation Commission  
**DOCKETED**

JUN 16 2010



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May 26, 2010

Arizona Corporation Commission  
Chairman Kristin Mayes  
Commissioners Pierce, Newman, Kennedy, and Stump

Docket: DOCKET NO. E-01575A-08-0328

Dear Chairman Mayes and Commissioners:

I would like to bring to the attention of the Commission, the Wildcat Silver Corporation's Hardshell mine project located in the Patagonia Mountains just outside of Patagonia.

Electric power for this proposed mine project appears to be the most likely reason for the frantic push by SSVEC to get the 69kV line in by Fall 2011, as this is when Wildcat Silver would like to begin operations at the Hardshell site, according to Chris Jones, Wildcat Silver President and CEO.

In the Hearings in Tucson before Judge Rodda, Mr. Bradley Carroll, representing SSVEC, stated, "First, this mine is not in Sulphur Springs' service territory. Under Arizona law ... it cannot serve that line."

It is my understanding that the mine could very well be serviced by SSVEC if they have a Commission-approved Cross Boundary Agreement to do so.

If the proposed 69kV line is for this mine or any other mines being considered in the Patagonia Mountains, should the SSVEC Cooperators have to pay for it? At a recent meeting with area residents, Mr. Jones stated that the Hardshell mine will not pay any taxes to the State of Arizona for the extraction of minerals and the associated wear and tear on the local communities, except county property taxes. Mr. Jones projected that Wildcat Silver Corporation will make hundreds of millions of dollars of profit from this mine.

If SSVEC is planning to service this mine, then Wildcat Silver Corporation should pay for the line extension and bury it.

I have attached a copy of the *Patagonia Regional Times* article reporting on the first of two meetings Mr. Jones had with community business owners about the proposed mine. Detailed information about the project can be found at their website, [www.wildcatsilver.com](http://www.wildcatsilver.com). Once at the website look under "Projects" and then "Hardshell."

I think it is an insult and an egregious waste of the state's resources for SSVEC to wage a battle for a power line to essentially service a possible mine that poses a dire economic threat for Patagonia, an internationally renowned birding area, whose economy is based on outdoor recreational activities such as birding, hunting, hiking and biking, as well as the area's scenic beauty, clean air, and charming small town ambiance. That being the case, the Hardshell mine may be opposed by some agencies and individuals and could be delayed some years in its start-up.

The independent assessment from the SSVEC Feasibility Study that was performed by Navigant Consulting projected an increased total load of **2,000kW by 2029**, (*Navigant Consulting Feasibility Study pg.3*), not 46 to 180 megawatts that could be transported on the 69kV line.

The local electricity needs of the Patagonia, Sonoita and Elgin area could be met by simply replacing the current V7 Feeder conductor with a larger wire on the existing poles. The community also has almost one megawatt of renewable solar and wind energy going in on private property which will make a great impact on energy needs. A locally distributed, renewable energy community is what we envision for our future.

I appreciate the Commission members taking the time to read this letter and considering the issues I've addressed.

Thank you again for your consideration.

Sincerely,

Nancy McCoy

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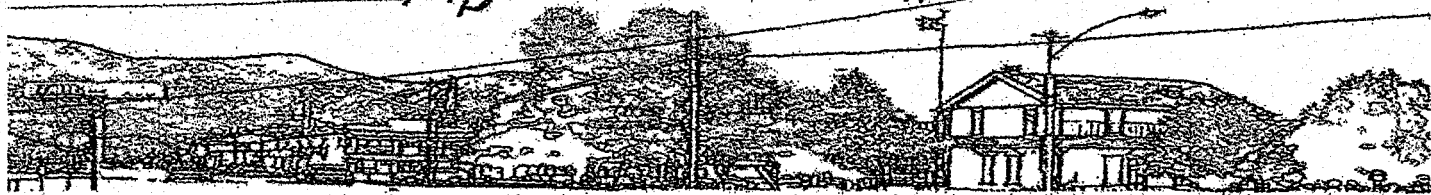
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# PATAGONIA Regional Times



*Serving The 'Mountain Empire' Communities of Canoa, Elgin, Patagonia, and Sonita*

OL. 1: ISSUE 7

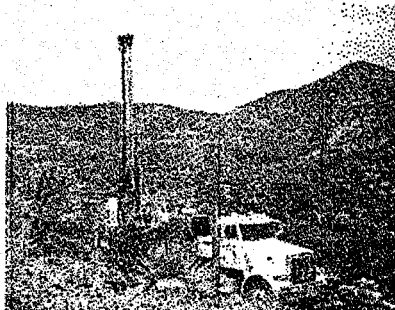
APRIL 2010

## Plan for Mine in Harshaw Outlined at Meeting

PRT Staff

On March 16, a few local residents, including Jeff Evans, Deborah Fain, Adrienne Halpert, Keith Barth, Judith Samsell, Andy Wood, and Bob Misirowski, were invited to attend an informal meeting at The Gathering Grounds with Chris Jones, CEO/President of Wildcat Silver Corp., and James Sturges, Vice President of Sustainable Development for Rosemont Copper Mine.

According to Jeff Evans, Jones and Sturges opened the meeting



*Drilling rig in Harshaw as shown in Wildcat's website overview of the 'Hardshell Project'*

by providing an overview of Wildcat Silver's plan to establish a mine in Harshaw.

The two men described the meeting as exploratory, saying they wanted feedback from area residents about their planned project. They said that Wildcat Silver needs to do further testing in order to decide whether or not to proceed, but that they hope to begin mining in Harshaw in three years. They estimated

that mining that site would take about 18 years to complete, and would generate a profit of three to four hundred million dollars.

Residents who attended the meeting were told that mining operations would focus on extraction of several minerals, and that the method of extraction—open pit or underground—would be based on whichever was cheapest. (cont. on page 3)

Although the site is on private land that has been purchased by Wildcat Corp., it is located within the Coronado National Forest, and the men noted that many permits will therefore be required.

The Wildcat representatives told their audience that the trucks that would transport all materials to and from the mine would pass directly through Patagonia, traveling Highway 82 to Harshaw Road to the mine and back. When a member of the audience noted that the noise and vibration from the trucks, the traffic through town, and the wear and tear on road surfaces would be a problem, the men answered 'We're working on that'. They stated that the mine expected to employ around 300 workers, thus providing local jobs, and added that small towns were generally pleased with the improvements that occur when a mining venture is begun in their area. 'We'll put in a couple of convenience stores, maybe a fast-food restaurant, and a stoplight'.

The company's website, [www.wildcatsilver.com](http://www.wildcatsilver.com) refers

to the Harshaw site as "The Hardshell Project." Its overview describes successful excavations from this site carried out between 1896 and 1964, and mentions "geological mapping and intermittent drill programs from 1964 until about 1980." The overview states that Hardshell is estimated to contain up to 42.7 million ounces of silver and 1.3 billion pounds of manganese, plus an inferred resource of 37.7 million ounces of silver and 2.5 billion pounds of manganese.

Wildcat Silver Corporation's website notes exploratory drilling done as recently as 2009 at The Hardshell Project, located about 80 kilometres southeast of Tucson, Arizona, and about 13 kilometres north of the U.S. border with Mexico. However, in response to a recent inquiry from Annie McGreevy, Mineral Resource Geologist Karl Sandwell-Weiss at the U.S. Forestry Service in Tucson stated that "as of 2/2/10, we have no requests for mineral operations at Humboldt Canyon or by Wildcat Silver Corp. at their Hardshell Project." PRT will continue to report on this story's development in future articles.